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FARM BUSINESS FACTS

A radio discussion by Wallace Kadderly, Radio Service, and E. J. Rowell, Agricultural Marketing Service, presented during the Department of Agriculture portion, National Farm and Home Hour, Monday, July 17, 1939, through the facilities of the National Broadcasting Company's Blue Network.

KADDERLY:

For news from the Bureau of Agricultural Economics here's E. J. "Mike" Rowell with highlights of two reports just issued by that bureau---information on the Demand and Price Situation and then a brief statement on the Dairy Situation. Mike, before we go to that information about demand, the farmers can expect for farm products in the immediate future----later in the summer and this fall----let's have a brief review of conditions during the past month or two.

ROWELL:

During the past couple of months business conditions have been a little better. While I am thinking particularly of conditions which affect the amount of money that housewives can spend for farm products, I should like to point out that in general our mills and factories were much more active during these couple of months than they were in April and early May.

KADDERLY:

That's for the past couple of months. Now, let's look ahead. So far as the Bureau economists can tell, what sort of business conditions can be expected in the near future?

ROWELL:

Right now, Wallace, everything seems to indicate that we will not see much change in business activity, nor will the housewives have enough more money that they can spend for food to warrant any change in the outlook.

KADDERLY:

In other words, you mean that business conditions will continue at least as good as they are now during the rest of this year; but probably they won't show much improvement.

ROWELL:

That's it, Wallace. Even though business conditions have been better during the past few weeks, we lack definite evidence that there has been any general strengthening of commodity prices. At the same time, the downward trend of the past few months seems to have stopped. In spite of what I've just said, wholesale prices for farm products are at the lowest in five years.

KADDERLY:

If farmers got lower prices for their farm products then I should think that the income of farmers as a group must have dropped off too.

ROWELL:

That's right, Wallace. The total amount of money farmers received from the sale of their farm products dropped more than usual from May to June and continued below the level of May 1938.

(over)

KADDERLY:

Why? What are the reasons for this lower farm income?

ROWELL:

This low farm income was pretty much the result of the lower prices for meat animals and poultry products. Of course, new wheat began to move to market in June, but lower prices resulted in smaller income from wheat than the farmers had last year from that crop.

KADDERLY:

Let's put this all together. Sum up, if you will, for the next few months.

ROWELL:

With the steady demand for farm products which is now in prospect and with the amount of money which farmers will get from fruits and vegetables and dairy products and those other commodities that go right to market and not into storage, it looks as though farmers will find their income as a group making about the usual seasonal increase for the next few months. Of course, we may see more than the usual seasonal increase in the income from wheat and cotton during the summer and fall months because these commodities have been moving to market unusually slow in recent months.

KADDERLY:

And that brings us to the information on the Dairy Situation.

ROWELL:

The dairy situation is a little better than it was. People are using quite a lot more dairy products of all kinds than they were a year ago. Pastures improved during June and it looks as though milk production would continue relatively high during the remainder of the summer. Let me add the Agricultural Appropriation Bill for this year provides money which can be used to buy surplus dairy products for relief distribution but as yet no announcements have been made with regard to how much of these dairy products will be bought or where, or when.

KADDERLY:

Ad lib.